Vertical Integration and Horizontal Consolidation

During the Industrial Boom in the U.S. from 1850 to 1920, businesses engaged in practices that were legal then but illegal now. Two of these practices were vertical integration and horizontal consolidation. Use the space on the front and back of this paper to answer the following questions based on the “Map of Selected Carnegie Properties.”

1. Based on the map, what is vertical integration? Hint: look at the stages of making steel on the map and think about the work integration.
2. What are the business advantages of vertical integration?
3. How does this map support the idea that natural resources were key to the boom of industry?
4. Below, drawn an arrow map diagram showing Carnegie’s control of the steel making process from iron ore extraction to the production of rails, beams, and plates.
5. Does Carnegie’s ability to create this vertically-organized steel industry give him an unfair advantage over his competitors? What are the benefits and problems with vertical integration for the American people?